



ECONOMIC INDICATORS[®]

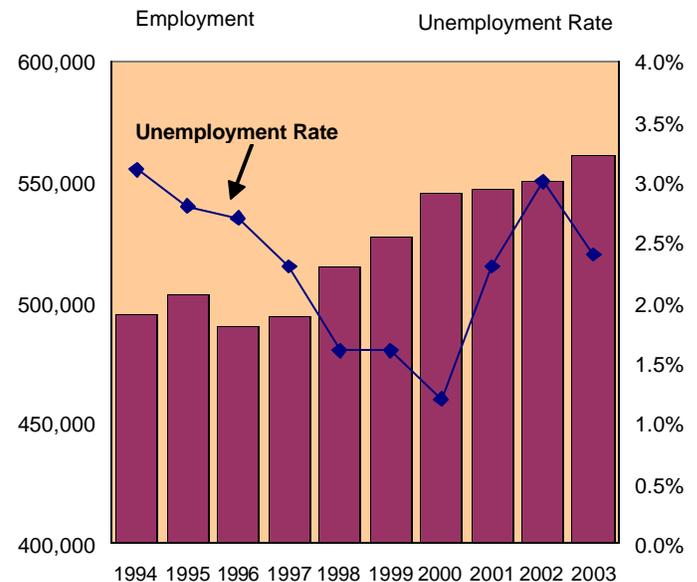
FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

NOVEMBER 2003

IN THIS ISSUE:

- The unemployment rate in Fairfax County for September 2003 remained unchanged from August at 2.4 percent. (See page 1)
- November Sales Tax receipts for Fairfax County, representing retail purchases made in September, are \$11.3 million, an 8.0 percent increase over November 2002. (See page 2)
- Multifamily building permits are down 68.5 percent while single family permits are down 3.4 percent, calendar year-to-date. (See page 3)
- Sales volume increased for all existing (previously owned) home types, with existing single family homes experiencing growth of 12.9 percent, calendar year-to-date. Sales volume has declined for all new home types through the first nine months of 2004. (See page 4)
- The Fairfax County Coincident Index increased in September compared to August whereas the Metropolitan Washington Coincident Index declined. The level of each index is below that of one year ago. (See page 7)
- Both the Fairfax County and Metropolitan Washington Leading Indices declined in September; however, the level of each index is above that of September 2002. (See page 8)

RESIDENTIAL EMPLOYMENT - SEPTEMBER



Source: Virginia Employment Commission.
Compiled by the Fairfax County Department of Management and Budget.

Employment

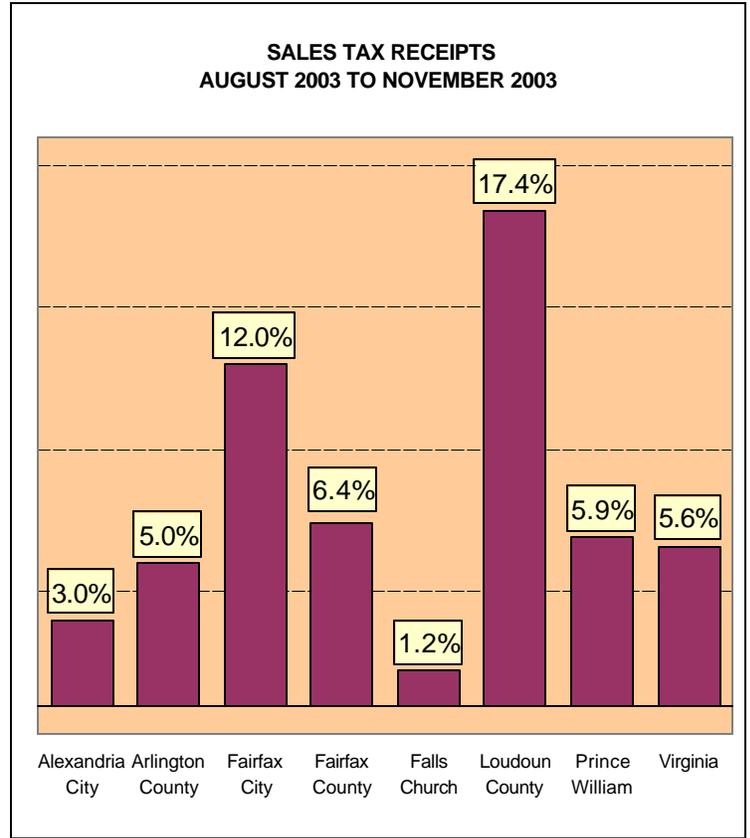
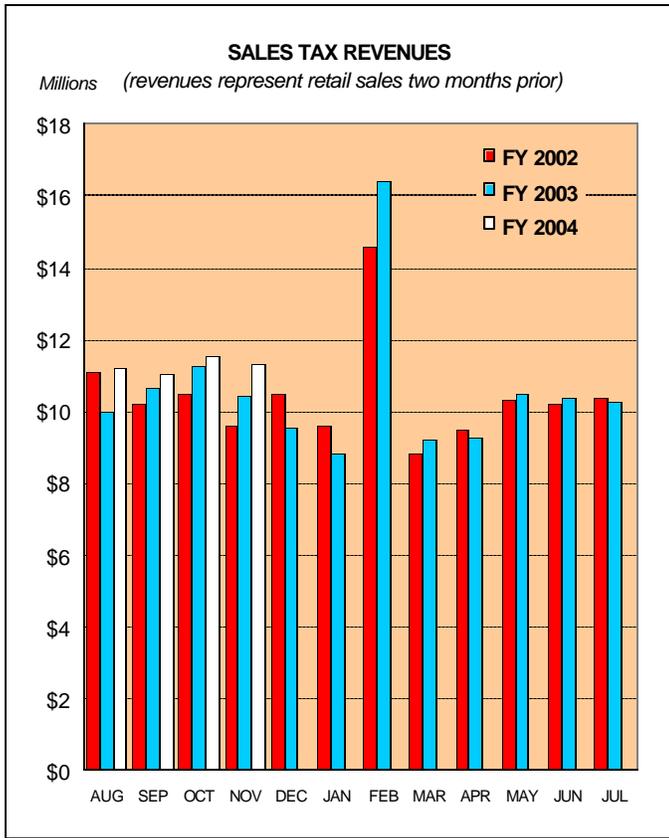
The September 2003 unemployment rate in Fairfax County remained unchanged from August at 2.4 percent. As reported by the Virginia Employment Commission (VEC), the number of employed Fairfax County residents was 561,387 in September 2003, an increase of 13,186, or 2.4 percent over September 2002. During this period, unemployment in Fairfax County fell 0.7 percentage points from 3.1 percent in September 2002 to 2.4 percent in September 2003.

Virginia's September 2003 unemployment rate was 3.8 percent, the same level as in August and below the 4.0 percent September 2002 Virginia unemployment rate. Compared nationally, Virginia's rate was well below the U.S. September 2003 unemployment rate of 5.8 percent.



The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



Source: Virginia Department of Taxation.
Compiled by the Fairfax County Department of Management and Budget.

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Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

November Sales Tax receipts for Fairfax County, representing retail purchases made in September, are \$11.3 million, an 8.0 percent increase over November 2002. Through the first four months of FY 2004, Sales Tax receipts are up 6.4 percent over the same period in FY 2003.

National Sales Tax Receipts

According to the Commerce Department, seasonally adjusted preliminary September retail sales estimates for the U.S. declined 0.3 percent from the previous month but increased 6.1 percent over October 2002. Compared to last year, health and personal care store sales were up 6.9 percent, building materials and garden equipment sales were up 12.5 percent, gasoline station sales were up 4.6 percent, and motor vehicle and parts dealers were up 5.9 percent.

Neighboring Jurisdictions

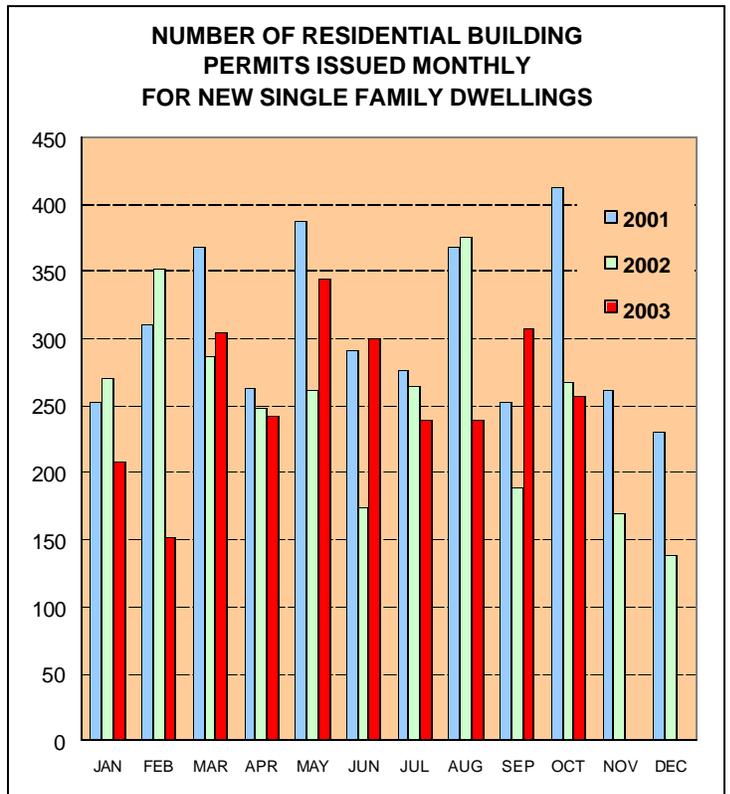
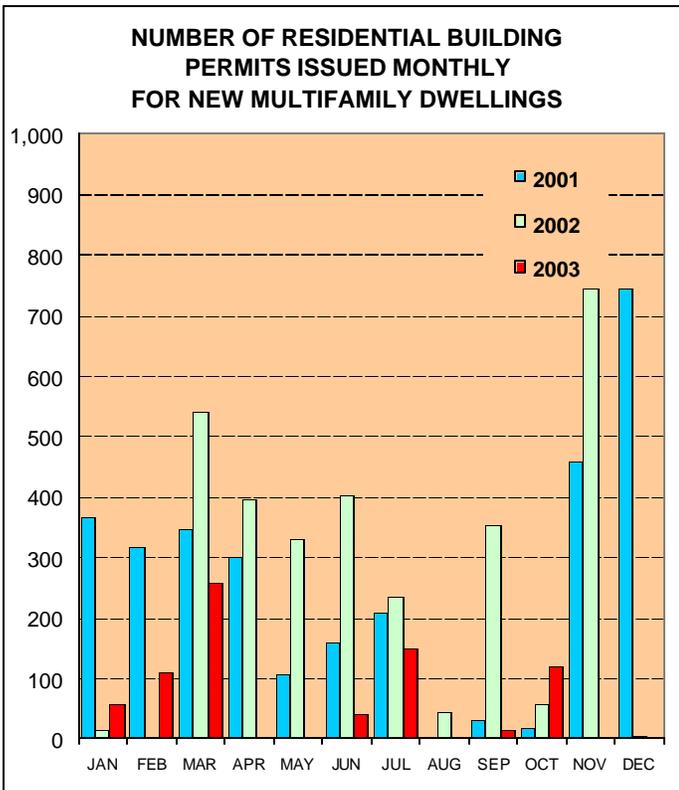
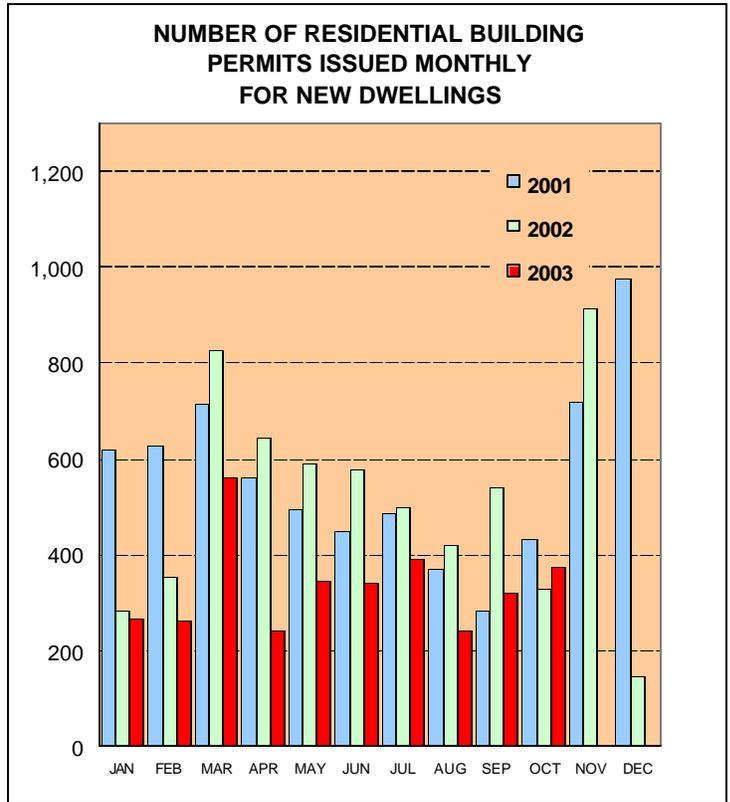
Sales tax receipt growth during August through November 2003 is positive for all of the Northern Virginia localities. These receipts correspond to retail purchases from June through September.

During this period, Sales Tax receipts are up double digits in Fairfax City at 12.0 percent and Loudoun County at 17.4 percent. Sales Tax receipts in Alexandria are up 3.0 percent, while receipts in Prince William are up 5.9 percent. Sales Tax receipts in Arlington are experiencing growth of 5.0 percent while Falls Church receipts are up just 1.2 percent. Statewide Sales Tax receipts are increasing at a rate of 5.6 percent.

Building Permits

The overall growth rate of new residential permits has decreased calendar year-to-date. Through October, total new residential dwelling permits are down 33.9 percent, or 1,718 permits. Through October, 749 multifamily permits have been issued, falling short of last year's total by 68.5 percent or 1,626 permits, year-to-date. Single family permits issued from January through October 2003 total 2,599, down 3.4 percent, or 92 permits, from the same period in 2002.

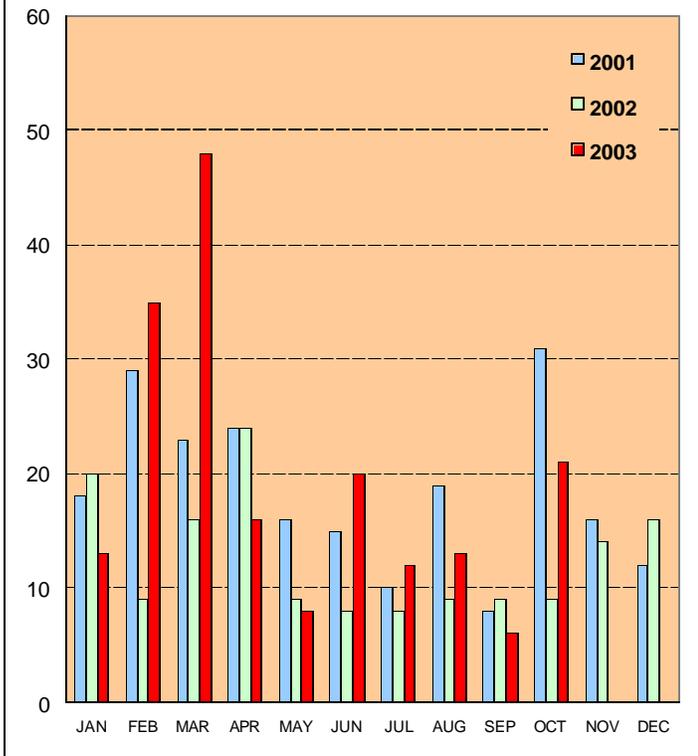
Residential repair and alteration permits issued through October 2003 are 9,777 and have declined 2.4 percent, or 239 permits, from the same period last year.



NOTE: In August 2001 and 2003, only one multifamily permit was issued and in February 2002, only two permits were issued; in April 2003, no permits were issued; therefore, the bars are too small to discern.

Source of data for all above charts: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

NUMBER OF NONRESIDENTIAL BUILDING PERMITS ISSUED MONTHLY FOR NEW STRUCTURES

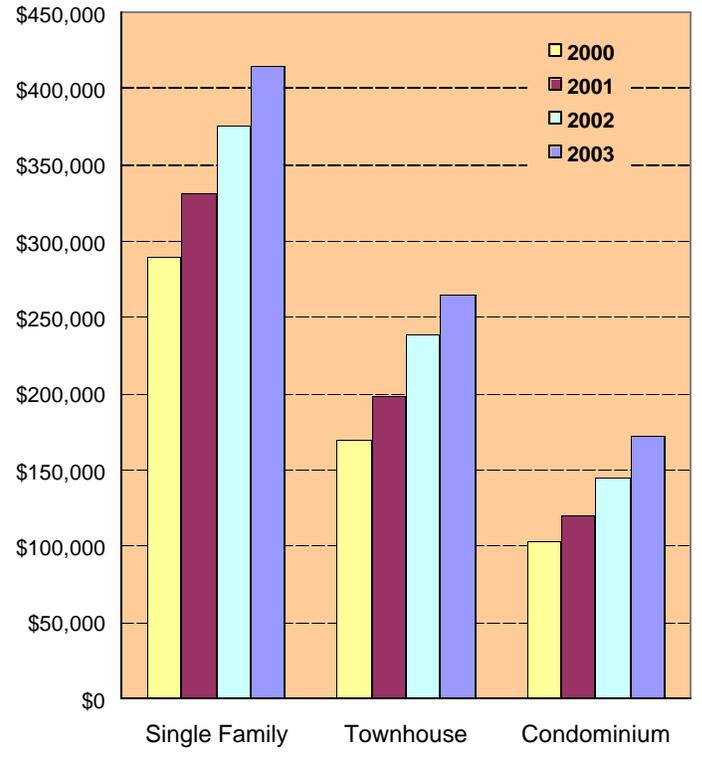


Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

From January through October 2003, 192 nonresidential building permits have been issued, up 58.7 percent, or 71 permits, from the same period in 2002. Nonresidential repair and alterations permits issued through October are 3,025, an increase of 3.6 percent or 105 permits, calendar year-to-date.

MEDIAN PRICE OF EXISTING HOMES SOLD THROUGH SEPTEMBER 2003 COMPARED TO THE ANNUAL MEDIAN 2000 - 2002

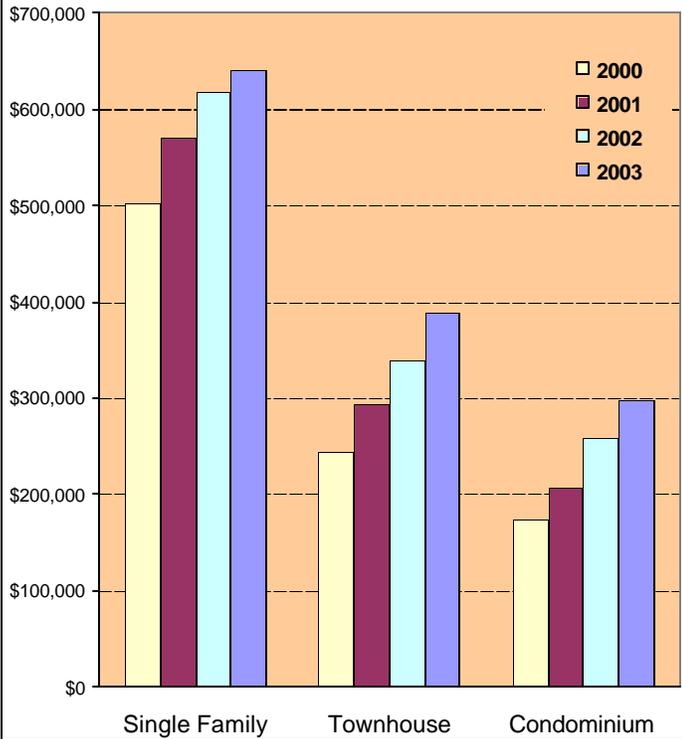


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Sales Prices for Existing Homes

Home sales data through September indicate that the 2003 median sales price of existing (previously owned) single family homes is \$415,000 compared to the 2002 median of \$376,000—growth of 10.4 percent. The median for townhomes has grown 11.2 percent from \$238,265 in 2002 to \$265,000. The median for condominiums has increased from \$145,000 to \$172,000, representing growth of 18.6 percent.

MEDIAN PRICE OF NEW HOMES SOLD THROUGH SEPTEMBER 2003 COMPARED TO THE ANNUAL MEDIAN 2000 - 2002



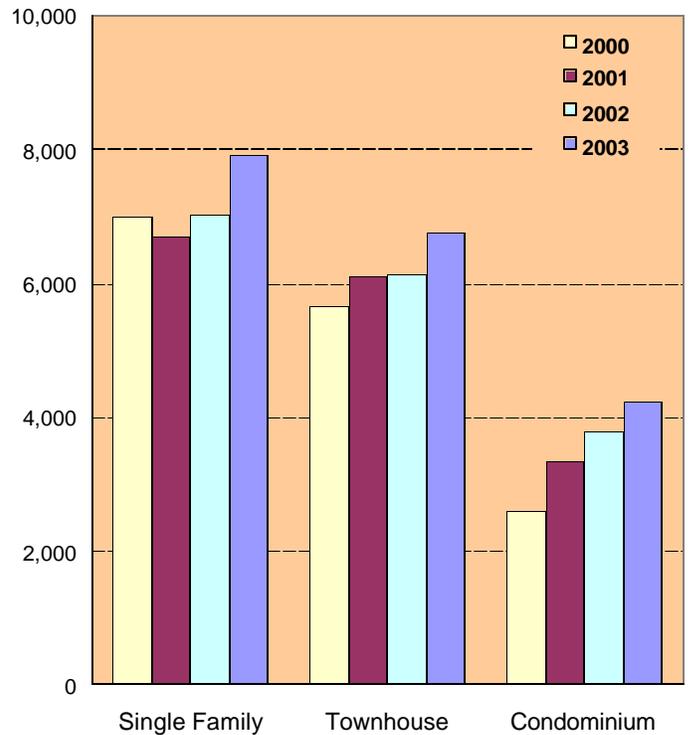
Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to selling prices within neighborhoods.

Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Sales Prices for New Homes

New home sales data through September 2003 indicate that the median sales price for a new single family home is \$640,985, an increase of 3.7 percent over the 2002 median price of \$618,131. The median for new townhomes has increased 14.5 percent, from \$338,875 to \$387,975. The median sales price for condominiums has increased 15.1 percent, from \$259,830 in 2002 to \$299,000 through September 2003.

NUMBER OF EXISTING HOMES SOLD THROUGH SEPTEMBER 2000 - 2003



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

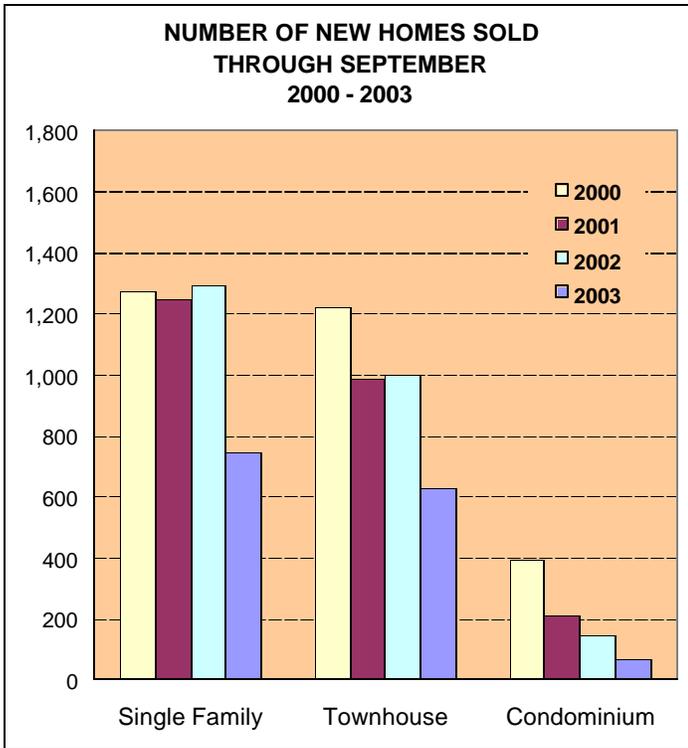
PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2002 COMPARED TO SALES THROUGH SEPTEMBER 2003

	Existing Sales	New Sales
Single Family	10.4	3.7
Townhouse	11.2	14.5
Condominium	18.6	15.1

Sales Volume for Existing Homes

Sales volume for existing (previously owned) homes is up for all home types through September 2003. Sales of existing townhomes have increased 10.3 percent from 6,134 to 6,763 and condominium sales are up 11.7 percent from 3,778 to 4,220, calendar year-to-date. Single family homes sales have increased 12.9 percent through the third quarter of calendar year 2003, from 7,009 to 7,916.

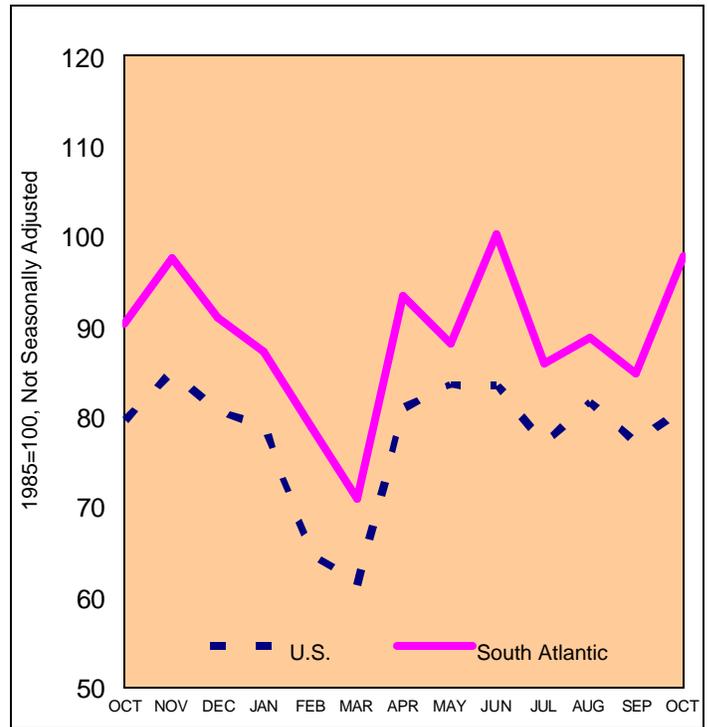
ADDITIONAL INDICATORS



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Sales Volume for New Homes

Sales volume is down for all new home types through September 2003. Sales of new townhomes have decreased 37.2 percent, from 1,001 to 629, while single family home sales have fallen 42.1 percent, from 1,291 to 747, calendar year-to-date. New condominium sales have dropped 53.4 percent from 148 during the third quarter of 2002 to 69 during the same period of 2003.



Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index advanced in October 2003. The Index now stands at 81.1, compared to 77.0 in September. The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. The Present Situation Index measures consumers' confidence in current business and employment conditions, while the Expectations Index measures consumers' confidence in business, employment, and family income prospects six months hence. The two indices are averaged to form the composite Consumer Confidence Index.

In September, the Present Situation Index increased to 66.8 from 59.7 points, a 7.1 point gain over last month. According to Lynn Franco, Director of the Conference Board's Consumer Research Center, consumers' positive assessment of the current economic climate is due primarily to a stronger job market. "With the holiday season around the corner, this improvement in consumers' spirits is a good omen for upcoming retail sales," said Franco.

The Expectations Index increased to 90.7 from 88.5. Consumers surveyed who anticipate more jobs to become available in the next six months increased to 19.7 percent from 16.6 percent.

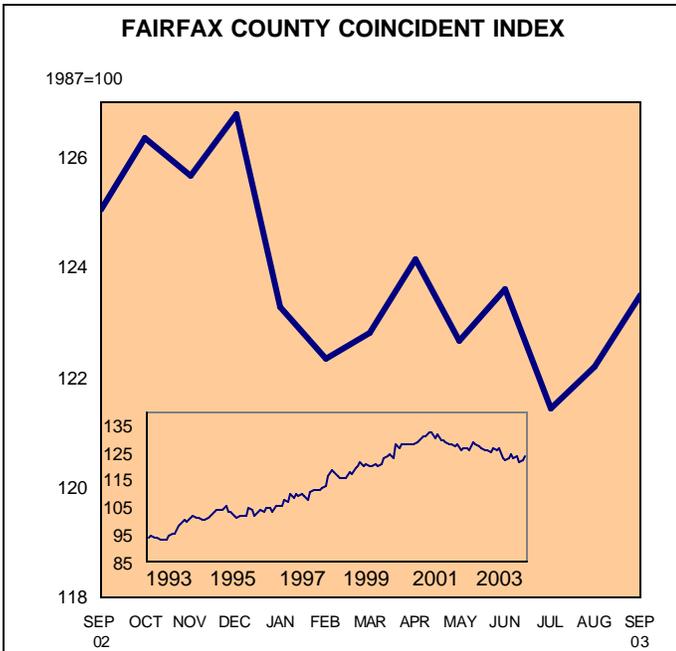
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Fairfax County Coincident Index

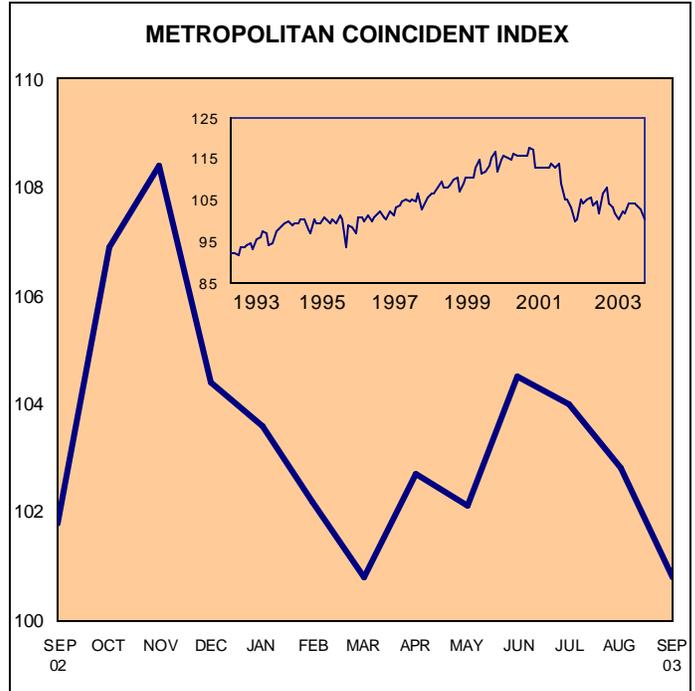


The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 123.5 in September 2003, a 1.1 percent increase over August. With the gain in September, the Index has now been positive three of the last four months, but it remains 1.3 percent below its September 2002 value.

In September, three of the Index's four components were positive. Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased for a second consecutive month; total employment increased for an eighth consecutive month; and consumer confidence (in the present) increased following two monthly declines. Sales tax collections, adjusted for inflation and seasonal variation, declined after increasing for three months.



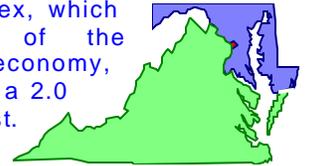
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.



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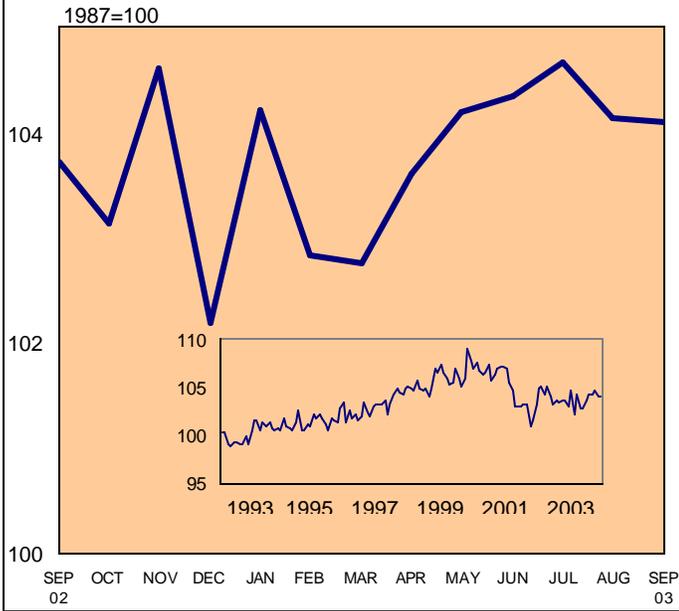
Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, fell to 100.8 in September 2003, a 2.0 percent decrease from August. September's decline can be at least partially attributable to Hurricane Isabel. September represents the third consecutive decline for the Index and it appears to be trending counter to national economic indicators. The Index is down 5.6 percent below its September 2002 value.



In September, two of the Index's four components were negative. Domestic passenger volume at Reagan National and Dulles Airports declined sharply reflecting weather-related flight cancellations impacting travel and tourism. Also, nondurable goods retail sales decreased following two monthly gains. In contrast, wage and salary employment increased in September after declining for two months and Consumer Confidence (in the present) increased, reversing a negative trend from the beginning of the year.

FAIRFAX COUNTY LEADING INDEX



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.

Fairfax County Leading Index



The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, declined slightly to 104.1 in September 2003, a 0.1 percent drop from August. The September decrease was the second in a row following four monthly gains, but the Index is still 0.4 percent higher than its September 2002 value.

In September, three of the Index's five components contributed to its decline. New automobile registrations declined for the second consecutive month; initial claims for unemployment insurance increased (worsened) in September following three months of improvement; and consumer expectations (consumer confidence six month hence) declined for the third time in four months. In contrast, residential building permits increased in September 2003, largely off-setting the decline in August and the total value of residential building permits increased following three monthly declines.

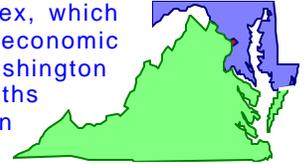
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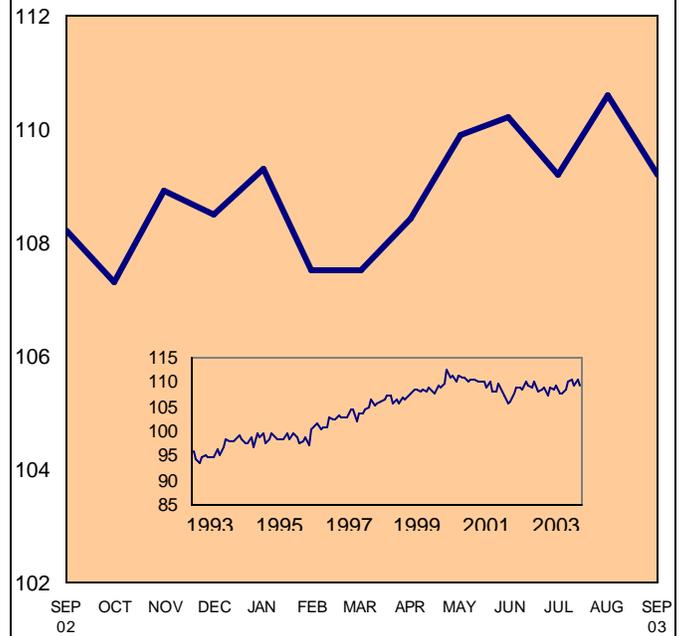
Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, fell to 109.2 in September 2003, a 1.3 percent decline from August. The Index is 1.0 percent above its September 2002 level, even after registering its second monthly decline in six months.



In September, all five of the Index's components contributed to its loss. Total residential building permits declined in September; the Help Wanted Index registered its largest decrease since February 2003; consumer expectations (consumer confidence six months hence) fell for the third time in four months; initial claims for unemployment insurance increased sharply (worsened) reversing their downward trend; and durable goods retail sales decreased after increasing in five of the previous six months.

METROPOLITAN LEADING INDEX



Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and budget.